
John J. Lothian & Company, Inc.

Welcome & Check List

Thank you for choosing John J. Lothian & Company, Inc. We appreciate your time and interest in our managed futures programs. We strongly urge you to contact us directly if you have any questions about our disclosure document or account forms.

In order for a futures account to be managed by John J. Lothian & Company, Inc. ("JJLCO"), you must complete the following forms. In addition, you must instruct your brokerage firm to create or assign an account number for JJLCO to use when trading. If you do not currently have a futures brokerage account, or are unsure how to proceed, please contact us for additional help.

Necessary Forms:

- Client Questionnaire
- Advisory Agreement
- Disclosure Document Acknowledgement
- Arbitration Agreement
- Fee Payment Authorization

Notional Forms (Optional):

- Supplemental Advisory Agreement for Notional Accounts
- Special Disclosure for Notional Funded Accounts

Completed forms may be mailed or faxed to your brokerage firm, or directly to JJLCO:

John J. Lothian & Company, Inc.
550 Swain Avenue
Elmhurst, IL 60126

Fax: 312-264-4399

Client Questionnaire

This information is strictly confidential and is required pursuant to NFA Rule 2-30.

Customer One

Name: _____

Address: _____

Telephone: Home: _____
 Fax: _____
 Work: _____

e-mail: _____

Employer: _____

Occupation _____

Birth date: _____

New Worth: _____

Annual Income: _____

Prior Investment Experience (please indicate the number of years for each category)

Stocks/Options ____ Futures/Options ____ Bonds ____ Other ____

Are you a member of the NFA, or registered with the NFA or CFTC? _____

If yes, enter your registration number and type: _____

Do you currently or did you in the past have commodity accounts with any brokerage firms? _____

If yes, please identify firms and approximate dates:

Have you ever been involved in any litigation, arbitration proceedings, disputed accounts or other unresolved matters with any futures or securities firm? _____

If yes, please supply the details on a separate sheet of paper, including the names of parties involved and dates.

Client Questionnaire

This information is strictly confidential and is required pursuant to NFA Rule 2-30.

Customer One

Name: _____

Address: _____

Telephone: Home: _____
 Fax: _____
 Work: _____

e-mail: _____

Employer: _____

Occupation: _____

Birth date: _____

New Worth: _____

Annual Income: _____

Prior Investment Experience (please indicate the number of years for each category)

Stocks/Options ____ Futures/Options ____ Bonds ____ Other ____

Are you a member of the NFA, or registered with the NFA or CFTC? _____

If yes, enter your registration number and type: _____

Do you currently or did you in the past have commodity accounts with any brokerage firms? _____

If yes, please identify firms and approximate dates:

Have you ever been involved in any litigation, arbitration proceedings, disputed accounts or other unresolved matters with any futures or securities firm? _____

If yes, please supply the details on a separate sheet of paper, including the names of parties involved and dates.

Client Questionnaire

Type of Account:

Individual Trust Joint, WROS or TC
 Corporate IRA Partnership
 Other

If other, please specify: _____

Signatures:

I/we certify that the information provided herein is true, correct and complete, and that this investment and the associated risk is suitable for me/us.

(signature)

(date)

(signature, if joint account)

(date)

Advisory Agreement

This agreement for advisory services is made and entered into this _____ day of _____, of _____, by and between John J. Lothian & Company, Inc., an Illinois corporation, hereinafter referred to as the "Advisor," and _____, hereinafter referred to as the "Client."

THIS AGREEMENT IS ENTERED INTO BASED UPON THE FOLLOWING REPRESENTATIONS:

IT IS MUTUALLY AGREED:

1. The client shall deposit with _____, hereinafter called the "Broker," who is mutually acceptable to the Client and the Advisor, funds and/or securities in an account sufficient to meet the minimum funding levels described below, thereby establishing an "Account." The Client may, if desired, indicate an initial amount for more than one program. In such cases, this agreement will establish one Account for each trading program indicated, and this agreement will apply equally to each Account.

<u>Program</u>	<u>Minimum</u>	<u>Initial Funding Amount</u>
Big ED	\$15,000	\$ _____
Maple Sugar	\$35,000	\$ _____

2. The Client may add to or withdraw funds from the Account provided the remaining balance does not fall below the Advisor's minimum account size or below the minimum account limit when trades are in progress as described in the disclosure document. Client shall promptly notify Advisor of deposits and withdrawals.
3. The Advisor will cause futures market contracts and/or options on such contracts and/or cash market commodities to be bought, sold, sold short, spread, and will have exclusive authority to issue all necessary instructions to the Broker. All such transactions shall be for the Account and risk of the Client. The Advisor will perform such transactions according to the trading program(s) selected in Section 1, as described in the Disclosure Document.
4. In compensation for its trading services, JJLCO charges two kinds of fees: management fees and incentive fees. The management fee is assessed regardless of the performance of the account. The incentive fee is assessed only against accumulated profits as described below.

Management fee - JJLCO charges a management fee of one sixth of one percent (2% annually) on your account's month end net assets before the reduction of current management and incentive fees. Net assets are defined as the total assets of the account, including all cash and cash equivalents, accrued interest, the amount of notional or committed funds (if any), the market value of all open futures interest positions, and all other assets of the account, less accrued commissions payable. The initial management fee will be prorated from the date of the first trade.

Advisory Agreement

Incentive fee - JJLCO charges an incentive fee in the amount of 20% of each month's Trading Profits, as described in the Disclosure Document.

All fees may be deducted from the Account pursuant to the Authorization to Remit Funds to be signed by the client, and will not be rebated by virtue of any subsequent losses to the account.

5. The Advisor has the right to provide similar services to others.
6. This Agreement shall remain in effect until terminated by receipt of written notice from either party to the other. The Agreement may be terminated for any reason by either the Client or the Advisor. Upon termination, any open positions will be liquidated in an orderly manner according to the rules of the trading program as described in the Disclosure Document. Funds, if any, net of liabilities and fees, shall be returned to the Client.
7. The Account shall be charged for all commissions and expenses arising from all transactions in the Account.
8. The Client agrees to notify the Advisor immediately if dissatisfied with either the Advisor's or Broker's handling of the Account.
9. The Advisor's recommendations and authorizations shall be for the Account and the risk of the Client. The Client assumes the responsibility for losses that may be incurred in the Account. The Advisor makes no guarantee that its services will result in a profit and not result in a loss for the Client.
10. This Agreement may not be assigned by any party without the expressed written consent of the other party. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and permitted assigns.
11. The Client agrees to execute a limited power of attorney with the Broker authorizing the Advisor to enter orders for futures, options on futures, and cash market instruments for the Client's account. The Advisor has no responsibility for the proper execution of orders.
12. The Client agrees to authorize the Broker to make payments from the Client's Account to the Advisor in compensation for services set forth in this Agreement by signing the Authorization to Remit Funds in the Broker's Customer Account Agreement and any other documents required by the Broker.
13. The Client acknowledges that he has received, reviewed and understood the Advisor's Disclosure Document, and as such comprehends the risks associated with the Account. The Advisor shall not be liable to the Client or to others except by reason of acts constituting willful malfeasance or gross negligence as to its duties herein.
14. In the event that any provisions of this Agreement are invalid for any reason whatsoever, all other conditions and provisions of this Agreement shall, nevertheless, remain in full force and effect.

Advisory Agreement

15. This Agreement constitutes the entire Agreement between the Advisor and the Client, and no modification or amendments of this agreement shall be binding unless made in writing and endorsed by both parties.
16. In any threatened, pending, or completed action, suit, or proceeding by a Futures Commission Merchant in connection with the debit balance in Client's account to which John J. Lothian or John J. Lothian & Company, Inc. (hereinafter collectively "Trading Advisor") was or is party or is threatened to be made a party because Trading Advisor is or was the Commodity Trading Advisor, the Client shall indemnify and hold harmless the Trading Advisor against any loss, liability, damage, cost, expense (including attorney's fees), judgments and amounts paid in settlement (provided that the Client has approved such settlement and such approval shall not be unreasonably withheld) actually and reasonably incurred by Trading Advisor in connection with any such action, suit or proceeding if the Trading Advisor acted in good faith and in a manner a Trading Advisor reasonably believed to be in or not opposed to the best interests of the Client. The termination of any action, suit or proceeding by judgment, order or settlement shall not, by itself, create a presumption that the Trading Advisor did not act in good faith and in a manner that a Trading Advisor reasonably believed to in or not opposed to the best interest of the Client.
17. When market or other conditions warrant, the Advisor may reduce the number of positions normally held. The advisor will use its discretion for phasing in and liquidating accounts.
18. All notices, demands or requests required to be made or delivered under this Agreement shall be effective only in writing and delivered either personally or by registered or certified mail, return receipt requested, postage prepaid, to the current address of the party entitled to receive such notice, demand or request.
19. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.
20. The provisions of this Agreement shall survive the termination of this Agreement with respect to any matter arising while this Agreement was in effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year written on the first page of this Agreement.

John J. Lothian & Company, Inc. by: _____
 John J. Lothian, President & CEO

Client:

_____	_____
(print name)	(print name, if joint)
_____	_____
(address)	(address)
_____	_____
(city, state, zip)	(city, state, zip)
_____	_____
(signature)	(signature)

Disclosure Document Acknowledgement

I have received a copy of the Disclosure Document for John J. Lothian & Company, Inc., dated October 15, 2004.

I have read and understood the material, including the description of the costs and risks associated with the trading program, and with futures trading in general.

Read and acknowledge by:

(Client's Signature)

(Date)

(Client's signature, if joint account)

(Date)

Arbitration Agreement

This arbitration agreement is made between _____ (hereafter the "Client") and John J. Lothian & Company, Inc. (hereafter ("JLCO")). In consideration of the performance of the advisory services by JLCO in accordance with the terms of the Commodity Advisory Agreement, Client acknowledges:

1. Any dispute arising between JLCO and Client shall be arbitrated in accordance with the rules and regulations promulgated by the Commodity Futures Trading Commission.

THREE FORUMS EXIST FOR THE RESOLUTION OF COMMODITY DISPUTES. CIVIL CORN LITIGATION, REPARATIONS AT THE COMMODITY FUTURES TRADING COMMISSION ("CFTC") AND ARBITRATION CONDUCTED BY A SELF-REGULATORY OR OTHER PRIVATE ORGANIZATION.

THE CFTC RECOGNIZES THAT THE OPPORTUNITY TO SETTLE DISPUTES BY ARBITRATION MAY IN SOME CASES PROVIDE MANY BENEFITS TO CUSTOMERS INCLUDING THE ABILITY TO OBTAIN EXPEDITIOUS AND FINAL RESOLUTION OF DISPUTS WITHOUT INCURRING SUBSTANTIAL COSTS. THE CFTC REQUIRES, HOWEVER, THAT EACH CUSTOMER INDIVIDUALLY EXAMINE THE RELATIVE MERITS OF ARBITRATION AND THAT YOUR CONSENT TO THIS ARBITRATION AGREEMENT BE VOLUNTARY.

BY SIGNING THIS AGREEMENT YOU: (1) MAY BE WAIVING YOUR RIGHT TO SUE IN A COURT OF LAW; AND (2) ARE AGREEING TO BE BOUND BY ARBITRATION OF ANY CLAIMS OR COUNTERCLAIMS WHICH YOU OR JLCO MAY SUBMIT TO ARBITRATION UNDER THIS AGREEMENT. YOU ARE NOT, HOWEVER, WAIVING YOUR RIGHT TO ELECT INSTEAD TO PETITION THE CFTC TO INSTITUTE REPARATION PROCEEDINGS UNDER SECTION 14 OF THE COMMODITY EXCHANGE ACT WITH RESPECT TO ANY DISPUTE WHICH MAY BE ARBITRATED PURSUANT TO THIS AGREEMENT. IN THE EVENT A DISPUTE ARISES, YOU WILL BE NOTIFIED IF JLCO INTENDS TO SUBMIT THE DISPUTE TO ARBITRATION. IF YOU BELIEVE VIOLATION OF THE COMMODITY EXCHANGE ACT IS INVOLVED AND YOU IF YOU PREFER TO REQUEST A SECTION 14 "REPARATIONS" PROCEEDING BEFORE THE CFTC, YOU WILL HAVE 45 DAYS FROM THE DATE OF SUCH NOTICE IN WHICH TO MAKE THE ELECTION.

YOU NEED NOT SIGN THIS AGREEMENT TO OPEN AN ACCOUNT WITH JLCO. SEE COMMODITIES FUTURES TRADING COMMISSION REGULATIONS 180.1-180.5.

(continued on the following page)

Arbitration Agreement

2. At such time as Client may notify JJLCO that he or she intends to submit a claim to arbitration, or at such time as JJLCO notifies the client of its intent to submit a claim to arbitration, the Client will have the opportunity to elect a qualified forum for conducting the proceeding. Within ten business days after the receipt of such notice from Client, or at the time JJLCO so notifies the Client, JJLCO must provide the Client with a list of two or more organizations whose procedures qualify them to conduct arbitrations in accordance with the requirements of 180.2 of the regulations of the Commodity Futures Trading Commission together with a copy of the rules of each forum listed. This list must include: (i) the contract market, if available, upon which the transaction giving rise to the dispute was executed or could have been executed or a registered futures association designated by such contract market; and (ii) at least one other organization which will provide the Client with the opportunity to select the location of the arbitration proceedings from among several major cities in diverse geographic regions and which will provide the Client with the choice of a panel or other decision maker composed of at least one or more persons, of which at least a majority are not members or associated with a member of a contract market (mixed panel). The client shall, within forty-five days after receipt of such list, notify JJLCO of the organization selected. The client's failure to provide such notice shall give JJLCO the right to select an organization from the list.

3. JJLCO will pay any incremental fees which may be assessed by a qualified forum for provision of a mixed panel unless the arbitrators in a particular proceeding determine that the client has acted in bad faith in initiating or conducting the proceeding.

CLIENTS:

(print name)

(signature)

(date)

(print name, if joint)

(signature)

(date)

Fee Payment Authorization

To Brokerage Firm: _____

Broker's Name: _____

Address: _____

Telephone: _____

Work: _____

e-mail: _____

Sirs,

I /we authorize you to deduct from my account(s) managed by John J. Lothian & Company, Inc. ("JJLCO") the monthly management and incentive fees due JJLCO. If an aforementioned account of mine/ours is terminated, the date of termination for this account shall be deemed the end of the current month for the purpose of calculating management and incentive fees. You are instructed to hold monies in this account until you receive notice from JJLCO that all fees have been paid.

(print name)

(signature)

(date)

(print name, if joint)

(signature)

(date)

Supplemental Advisory Agreement for Notional Accounts

This supplemental commodity advisory agreement for notionally funded accounts is name and entered into this _____ day of _____, _____, by and between John J. Lothian & Company, Inc., an Illinois Corporation, herein referred to as the "Advisor," and _____, herein referred to as the "Client."

This agreement specifically relates to accounts that are initially funded at less than the "fully-funded" and recommended minimum account, or for any reason are considered to be funded at a higher level of equity than the amount actually present in the accounts. Accounts that, at the client's direction, are traded at higher degree of risk than the recommended and normal level are also considered to be notionally funded.

This agreement is in addition to the "Commodity Advisory Agreement" also made and entered into between the Advisor and the Client.

IT IS MUTALLY AGREED:

1. Client represents and warrants that he has deposited, or has on deposit with _____, herein called the "Broker," funds and or securities necessary to establish and "Account." Client represents and warrants that the funds and/or securities on deposit are sufficient to cover any larger than normal position and risk that will be incurred due to notional funding changes.
2. On his own accord and not with the recommendation of the Advisor, the Client instructs the Advisor to trade the Account as if it were established with the following total funding, representing a combination of actual and notional funding.

		Account#	Actual	Notional	Total Funding
_____	Big ED	_____	\$_____ +	\$_____ =	\$_____
_____	Maple Sugar	_____	\$_____ +	\$_____ =	\$_____

3. The Client may change the degree of notional funding, including returning the account to a normal, "fully funded" level by requesting such a change in writing. Upon receipt of the request, the Advisor will make position size changes as necessary in a reasonable and orderly manner
4. The Advisor reserves the right to reject or revoke any request or existing agreement to notionally fund the Client's account, if the advisor believes at any time that the notional funding level is unacceptably adverse for either Client or Advisor. The Advisor does not warrant or imply that any accepted notional funding agreement is in any way safe or appropriate.

Supplemental Advisory Agreement for Notional Accounts

5. The Client acknowledges receipt of the “Special Disclosure for Notionally Funded Accounts.” The client further acknowledges that he/she has read and fully understands the special disclosure.
6. The Client acknowledges that profits as well as losses, and consequently risk, will be greater as measured by a percentage of assets actually deposited in his/her account, than in an account funded and traded at the level recommended by the advisor.
7. The Client acknowledges that his/her account will experience greater volatility as measured by rates of return achieved in relation to assets actually deposited in his/her account, than in an account funded and traded at the level recommended by the advisor.
8. The Client acknowledges that the amount of funds that initially established the account is not the maximum possible loss that his/her account may experience.
9. The Client acknowledges that fees and commissions as measured as a percentage of the assets actually deposited will be larger than in an account funded at the level recommended by the Advisor.
10. The Client acknowledges that permitted withdrawals and additions to the account will serve to increase or reduce respectively the level of risk, volatility, commissions and fees in the account as measured by a percentage of assets actually deposited in his/her account as compared to an account funded and traded at the level recommended by the Advisor.
11. The Clients acknowledges that additions or subtractions of funds to the account will not alter the level of leverage agreed to in this agreement. The Client agrees to sign a new Advisory Agreement to change the level of leverage indicated in this agreement.
12. This Agreement supersedes all prior “Supplemental Commodity Advisory Agreement for Notionally Funded Accounts” entered into by and between the Advisor and the Client for the specific program indicated in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year written on the first page of this Agreement.

John J. Lothian & Company, Inc. BY: _____
 John J. Lothian, CEO & President

Client:

_____	_____
(print name)	(print name, if joint)
_____	_____
(address)	(address)
_____	_____
(city, state, zip)	(city, state, zip)
_____	_____
(signature)	(signature)

Special Disclosure for Notionally-Funded Accounts

You should request your commodity trading advisor (“CTA”) to advise you of the amount of cash or assets (“Actual Funds”) which should be deposited to the Advisor’s trading program for your account to be considered, “fully funded.” This is the amount upon which the CTA will determine the number of contracts traded in your account and should be an amount sufficient to make it unlikely that any further cash deposits would be required from you over the course of your participation in the CTA’s program.

You are reminded that the account size you have agreed to in writing (the “nominal” or “notional” account size) is not the maximum possible loss that your account may experience.

You should consult the account statements received from your futures commission merchant in order to determine the actual activity in your account, including profits, losses, and current cash balance. To the extent that the equity in your account is at any time less than the nominal account size you should be aware of the following:

1. Although your gains and losses, fees and commissions measured in dollars will be the same, they will be greater when expressed as a percentage of the account equity.
2. You may receive more frequent margin calls
3. The disclosures which may accompany the performance table may be used to convert the rate of return (“ROR”) in the performance table to the corresponding ROR for the particular partial funding level.

Read and acknowledged by:

(Client’s signature)

(Date)

(Client’s signature, if joint)

(Date)